APPLICATION FOR INITIATIVE OR REFERENDUM PETITION SERIAL NUMBER

SECRETARY OF STATE

Secretary of State 1700 W. Washington Street, 7th Floor Phoenix, AZ 85007

2013 SEP -6 PM 4: 37

The undersigned intends to circulate and file an INITIATIVE or a REFERENDUM (circle the appropriate word) petition and hereby makes application for the issuance of an official serial number to be printed in the lower right-hand corner of each side of each signature sheet of such petition. Pursuant to Arizona Revised Statutes § 19-111, attached hereto is the full text, in no less than eight point type, of the MEASURE or CONSTITUTIONAL AMENDMENT (circle appropriate word) intended to be INITIATED or REFERRED (circle appropriate word) at the next general election.

<u>SUMMARY:</u> A description of no more than one hundred words of the principal provisions of the proposed law, constitutional amendment or measure that will appear in no less than eight point type on the face of each petition signature sheet to be circulated.

Arizona's government retirement pensions are billions of dollars underfunded, leaving taxpayers with liabilities that could cause a severe financial crisis. The Responsible Budgets initiative ensures annual public disclosure of government retirement pensions funding, so the politicians cannot hide the pension debt, limits government growth to inflation plus population growth, until the government pensions are adequately funded, and ends pensions for politicians, as a first step to find the savings needed to fix the government pension problem. The Responsible Budgets initiative will ensure Arizona addresses its pension problem before we face a Detroit-style financial crisis.

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Date of Application September 6, 2013		
Signatures Required 172,809		
Deadline for Filing JULY 3,2014 at 5pm		
Serial Number Issued <u>I - 02 · 2014</u> FOR OFFICE USE ONLY		

Responsible	e Budgets in Support of Proposition	on and Petition Serial #	
Name of O	ganization (if any)		
8711 East Pinnacle Peak Road, C-204, PMB-308			
Address			
Scotts	dale, AZ 85255		
City	State	Zip	
602 62	1 1526		
Telephone	Number		
Roy Mi	ller, Chairman		
Name of O	fficer and Title		
1529 W	est Virginia Ave.		
Address			
Phoenix	k, AZ 85007		
City	State	Zip	
602 25	4 4648		
Telephone	Number		
James	A. Moorer, Treasure	er	
Name of O	fficer and Title		
7439 E	. Ridgecrest Rd.		
Address			
Cave (Creek, AZ 85331		
City	State	Zip	
602 62	21 1526		

Telephone Number

Revised 11/92

CF#201400229

AN INITIATIVE MEASURE

Requiring Responsible Budgets; Proposing an amendment to the Arizona Revised Statutes Title 38 by adding Article 2 to Chapter 1.

TEXT OF THE PROPOSED INITIATIVE MEASURE

Be it enacted by the people of the State of Arizona:

Section 1. Title. The Title of this law shall be "The Responsible Budgets Act."

Section 2. Arizona Revised Statutes Title 38 is amended to add Article 2 to Chapter 1, to read as follows:

A.R.S. SECTION 38-111. PREAMBLE - THE RESPONSIBLE BUDGETS ACT

IN ORDER TO ENSURE THAT GOVERNMENTS AT ALL LEVELS IN ARIZONA ABIDE BY EXISTING CONSTITUTIONAL REQUIREMENTS FOR BALANCED BUDGETS, OFFER FULL PUBLIC TRANSPARENCY, PAY FOR OBLIGATIONS ALREADY INCURRED BEFORE INCREASING SPENDING, AND TO ENSURE ADEQUATE FUNDING OF RETIREMENT PENSIONS AND HEALTHCARE BENEFITS, THE RESPONSIBLE BUDGETS ACT SHALL BE ENACTED AS LAW IN ARIZONA.

A.R.S. SECTION 38-112. TRANSPARENCY OF RETIREMENT PENSION FUNDING

IN ORDER TO ENSURE FULL PUBLIC TRANSPARENCY, THE STATE OF ARIZONA AND EVERY COUNTY, CITY, TOWN, MUNICIPALITY OR POLITICAL SUBDIVISION OF THE STATE, OR ANY DISTRICT CREATED BY STATE LAW SHALL ANNUALLY DETERMINE AND PUBLISH WHETHER ADEQUATE FUNDING EXISTS TO COVER CURRENT AND FUTURE OBLIGATIONS FOR THE RETIREMENT PENSIONS AND RETIREMENT HEALTHCARE COSTS OF CURRENT AND PREVIOUS PUBLIC EMPLOYEES. ADEQUATE FUNDING OF PUBLIC EMPLOYEE RETIREMENT PENSIONS AND RETIREMENT HEALTHCARE COSTS SHALL BE DETERMINED USING GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, IN ACCORDANCE WITH THE GUIDELINES OF ONE OR MORE NATIONALLY RECOGNIZED ACTUARIAL AUTHORITIES AS DIRECTED THROUGH STATE STATUTE, OR IN ITS ABSENCE, AS CHOSEN BY THE STATE TREASURER, WITH A MINIMUM THRESHOLD OF 80% OR GREATER FUNDING OF ALL CURRENT RETIREMENT PENSIONS AND RETIREMENT HEALTHCARE OBLIGATIONS BEING NECESSARY TO BE DETERMINED AS ADEQUATE.

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A.R.S. SECTION 38-113. LIMITING GOVERNMENT BUDGET GROWTH UNTIL ADEQUATE FUNDING

- A. IN ORDER TO ENSURE GOVERNMENT PAYS FOR OBLIGATIONS ALREADY INCURRED BEFORE INCREASING SPENDING, BEGINNING WITH THE FISCAL YEAR STARTING JULY 1, 2015, IF THE STATE, ANY COUNTY, CITY, TOWN, MUNICIPALITY OR OTHER POLITICAL SUBDIVISION OF THE STATE, OR ANY DISTRICT CREATED BY STATE LAW IS SHOWN TO OPERATE OR PARTICIPATE IN ANY PUBLIC PENSION AND RETIREMENT SYSTEM THAT HAS NOT ADEQUATELY FUNDED ITS OBLIGATIONS FOR THE RETIREMENT PENSIONS AND RETIREMENT HEALTHCARE COSTS OF CURRENT AND PREVIOUS PUBLIC EMPLOYEES, THAT POLITICAL SUBDIVISION SHALL LIMIT ITS ANNUAL EXPENDITURE GROWTH OF ITS GENERAL FUND BUDGET FROM ONE FISCAL YEAR TO THE NEXT TO AN INCREASE OF NO MORE THAN INFLATION AND POPULATION GROWTH OF THE PREVIOUS FISCAL YEAR, UNTIL SUCH TIME AS ADEQUATE FUNDING FOR THE RETIREMENT PENSIONS AND RETIREMENT HEALTHCARE COSTS OF CURRENT AND PREVIOUS PUBLIC EMPLOYEES IS DETERMINED TO EXIST. ANNUAL INFLATION AND POPULATION GROWTH SHALL BE CALCULATED AS DIRECTED THROUGH STATE STATUTE, OR IN ITS ABSENCE, AS CHOSEN BY THE STATE TREASURER.
- B. IN CASES OF A NATURAL DISASTER OR OTHER EMERGENCY, AN ENTITY SUBJECT TO THIS ACT MAY PETITION THE GOVERNOR TO GRANT A ONE-YEAR WAIVER OF THE REQUIREMENTS OF SECTION 38-113(A). THE GOVERNOR MAY GRANT A ONE-YEAR WAIVER REQUEST UPON DETERMINING THAT AN EMERGENCY EXISTS AND PUBLICLY PROCLAIMING THE NATURE OF THE EMERGENCY.
- A.R.S. SECTION 38-114. NO TAXPAYER FUNDED RETIREMENT PENSIONS FOR ELECTED OFFICIALS IN ORDER TO FURTHER ENSURE ADEQUATE FUNDING OF PUBLIC EMPLOYEE PENSIONS AND RETIREMENT HEALTHCARE BENEFITS, NO ELECTED OFFICIAL IN ARIZONA MAY RECEIVE A TAXPAYER FUNDED RETIREMENT PENSION OR PLAN, OR RETIREMENT HEALTHCARE BENEFITS, BEGINNING WITH OFFICIALS ELECTED AFTER THE VOTER PASSAGE AND PROCLAMATION OF SUCH PASSAGE BY THE GOVERNOR OF THE RESPONSIBLE BUDGETS ACT. FOR THE PURPOSE OF THIS SECTION, ELECTED OFFICIALS SHALL INCLUDE ALL OFFICIALS ELECTED BY BALLOT, EXCEPT THOSE SUBJECT TO A RETENTION VOTE. NOTHING IN THIS SECTION SHALL BE CONSTRUED TO DEPRIVE ANY ELECTED OFFICIAL OF ANY RIGHTS THAT ACCRUE BEFORE THIS ACT TAKES EFFECT THAT AN ELECTED OFFICIAL HAS UNDER ANY LAW OR CONTRACT.

Section 3. Severability. Sections 38-111, 112, 113 and 114 shall be liberally construed to affect the people's goal of ensuring that government pays for the obligations already incurred before incurring new obligations, and shall be enforced notwithstanding any statute, ordinance or rule to the contrary. Should any part of sections 38-111, 112, 113, or 114 be rendered or declared invalid the remaining portions shall remain in full force and effect.

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